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Note verbale dated 5 April 2012 from the Permanent Mission of Ecuador to the United Nations addressed to the President of the Economic and Social Council

The Permanent Mission of Ecuador to the United Nations presents its compliments to the President of the Economic and Social Council and has the honour to transmit herewith the national report of Ecuador entitled "Decent work for living well in Ecuador" (see annex).

The aforementioned national report will serve as a basis for the national voluntary presentation that Ecuador will make during the annual ministerial review at the high-level segment of the 2012 substantive session of the Economic and Social Council on the theme: "Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals".

In that regard, the Permanent Mission of Ecuador to the United Nations would be very grateful if the present note verbale and its annex could be circulated as a document of the Council, under item 2 (c) of the provisional agenda.

* E/2012/100.

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Annex to the note verbale dated 5 April 2012 from the Permanent Mission of Ecuador to the United Nations addressed to the President of the Economic and Social Council

National report for the national voluntary presentation of Ecuador to the United Nations Economic and Social Council

Decent work for living well in Ecuador

Summary

The Constitution of the Republic of Ecuador, adopted by referendum in 2008, establishes a new covenant of coexistence which orients development towards the realization of the concept of "*buen vivir*", living well, and defines Ecuador, in its article 1, as a constitutional State under law and justice. A new vision of the economic system is established. The constitutional principle notes the transition from a social market economy towards a social and economic system of solidarity, where the human being is recognized as the subject and purpose, whose objective is to guarantee the production and reproduction of the material and other conditions that allow all to live well. Thus, employment is viewed as going beyond strictly economic concerns.

The duty of the State is to guarantee not just access to employment, but a job that guarantees a decent life for workers, provides them with fair wages in a healthy environment, grants them all job benefits, and which furthermore guarantees them time for family life and leisure activities.

The national vision of work transcends jobs and the dynamics of the labour market. Work is conceived as an element of personal fulfilment. The Constitution of Ecuador gives equal recognition to the various forms of work, in a dependent relationship, independent activity, for purposes of self-support, the work of reproduction and personal care, and voluntary, community, social and solidarity work.

Notable progress in the right to work has been made in recent years. Unemployment remained at a level of 5 per cent among the economically active population up to 2010, dropping to 4.2 per cent in 2011.

Underemployment has dropped from 59.8 per cent in 2007 to 54.7 per cent in 2011; it has fallen by 6 per cent among youth (16 to 29 years old). Social security coverage has also increased, as well as the guarantee of decent wages. Between 2007 and 2011, the percentage of persons with public health insurance rose by about 9 points.

Mechanisms related to the guarantee of labour rights have been established. The criminalization of failure by employers to meet obligations towards their workers was submitted to the people for a vote. Incentives to promote new job markets and wage increases have been put into effect. Outsourcing has been eliminated by a constitutional mandate. All this progress in access to jobs and decent work can thus be seen in a reduction in poverty levels and promotion of equitable economic growth in Ecuador.

The national report discusses national achievements in employment and, accordingly, improvements in the standard of living of Ecuadorians, thus contributing to the achievement of the Millennium Development Goals, with particular emphasis on Goal 1: Eradicate extreme poverty and hunger.

Introduction

1. The adoption of the new Constitution of Ecuador in 2008 involved a change in the paradigm for the way the economic system was conceived. Constitutional principles signalled a transition from a social market economy to an economic and social system of solidarity, where the human being is recognized as the subject and purpose, with the objective of guaranteeing the production and reproduction of material and other conditions leading to living well for all.

2. In this new human-centred vision, living well is the focal point of the constitutional mandate and the vision on which the country's strategic planning rests, as expressed in the National Development Plan.

3. Work thus constitutes an element that transcends access to employment. Work is recognized as a social right and an element of personal fulfilment, both in the area of production of goods and services for the market, and in reproduction and personal care work, in collective and community work and in the full recognition of the various ways in which production can be organized.

4. The National Plan for Living Well, the title adopted by the National Development Plan for 2009-2013, breaks down constitutional orientations and principles into 12 national goals, with a system to realize and evaluate public policy for each. The national goal directly related to the theme of employment refers to the guarantee of stable, just and decent work in all its forms.

5. The present report will consider the programme outlines for public policy on employment, progress related to employment and the challenges Ecuador is facing.

Employment and labour rights under the international commitments undertaken by Ecuador

6. The Constitution states that the exercise of rights shall be governed by the Constitution, international human rights instruments and all others arising from the dignity of persons, communities, peoples and nationalities, as necessary for their full development.

7. Ecuador is signatory to international commitments that endorse national efforts to guarantee the right to decent work. The signature and ratification of such fundamental documents as the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights indicates its desire to implement the legislative, political and judicial measures necessary to meet the requirements and obligations acquired through international instruments, thereby guaranteeing total fulfilment of the commitments made by the international community regarding the right to work.

8. Ecuador has also signed international agreements to combat forms of forced labour, exploitation of workers and trafficking in persons that affect such priority groups as boys, girls, adolescents, youth, peasants, indigenous peoples, people of African descent and migrants. The list of labour agreements to which Ecuador is signatory is found in the annex to this report.

Employment in the Constitution and the National Plan for Living Well: programme outlines

9. Access to employment promotes social inclusion, an element that helps to reduce poverty levels and break the vicious circle of reproducing poverty from one generation to the next. The Constitution of Ecuador guarantees the right to work and recognizes it as an economic policy objective, along with valuing various forms of work, including self-sustenance and human care.

10. Constitutional provisions regarding work incorporate all the precepts enshrined in international commitments. The plan for achieving them and making them concrete in public policy through the National Plan for Living Well is broader, however, encompassing innovative elements in harmony with the national vision for living well.

11. The National Plan for Living Well, an instrument that connects Constitutional principles with public policy, declares as a national objective the guarantee of a stable, just and decent job in various forms. The Plan constitutes a programme nexus for public policy and provides a platform for follow-up on progress in that area from the various aspects of the subject in State policy, for instance, monitoring of progress in access to and quality of employment, inclusion in the labour market, guarantees of labour rights, etc., with established policies and targets, which in the case of the National Plan for Living Well have been set for 2013.

National Objective 1: to promote equality, cohesion and social and territorial integration with diversity.

Policy:

- Promote social and economic inclusion with a gender, intercultural and intergenerational perspective in order to create equitable conditions.

National Objective 6: to guarantee stable, just and decent work in all its various forms.

Policies:

- Value all forms of work, create decent working conditions and ensure the fulfilment of labour rights.
- Promote the recognition of independent work, human care, family care and self-consumption, as well as the total transformation of the conditions for those forms of work.
- Foster associations as a basis to improve working conditions and create new jobs.
- Promote the payment of fair wages without any discrimination, proposing a reduction in the gap between the cost of the basket of basic products and the base salary.
- Promote economic activity that preserves jobs and fosters the creation of new markets and a progressive reduction in underemployment and unemployment.
- Promote working conditions that are safe, healthy, inclusive, non-discriminatory and environmentally friendly.

- Promote job skills and training processes.
- Create the conditions for migrants returning to Ecuador to be reintegrated into the job market and production and protect the mobility of workers.

12. The employment guarantees and economic rights incorporated into the Constitution and expressed in the National Plan for Living Well are also supported in national laws.[1]

13. In addition, democratization of the means of production, redistribution of wealth and diversification of forms of ownership and organization have been established as the strategy for the period 2009-2013, along the following lines:

- The creation of productive employment and the recognition of the social and ethical value of work, sharing of knowledge and access to information markets.
- Support for access to various forms of private, public and community ownership that serve the basic social function of guaranteeing food sovereignty, redistribution of wealth and job creation.

14. The obligations established by the State in the Constitution, as expressed in the outlines of public policy under the National Plan for Living Well and acquired in international instruments, take the form of policies, programmes and projects listed under sectoral agendas and zone agendas.

15. The agendas relevant to employment — the Productive Transformation Agenda, the Social Agenda and the Economic Policy for Living Well Agenda — are the responsibility of the Council on Production, Employment and Competitiveness, the Social Development Council and the Economic Policy Council, respectively.

16. Employment policy is a cross-cutting element of the Productive Transformation Agenda. The national production agenda assumes good jobs as one of its pillars since the transformation of the production matrix also involves building relationships between capital and labour that take all constitutional provisions into account, as an element that promotes human development and establishes the material foundation for development of a decent life that expands personal and social opportunities.

17. The Social Agenda includes as a policy the development and promotion of an economy of solidarity with the people, in order to support this sector as the foundation of internal development and creation of good jobs.

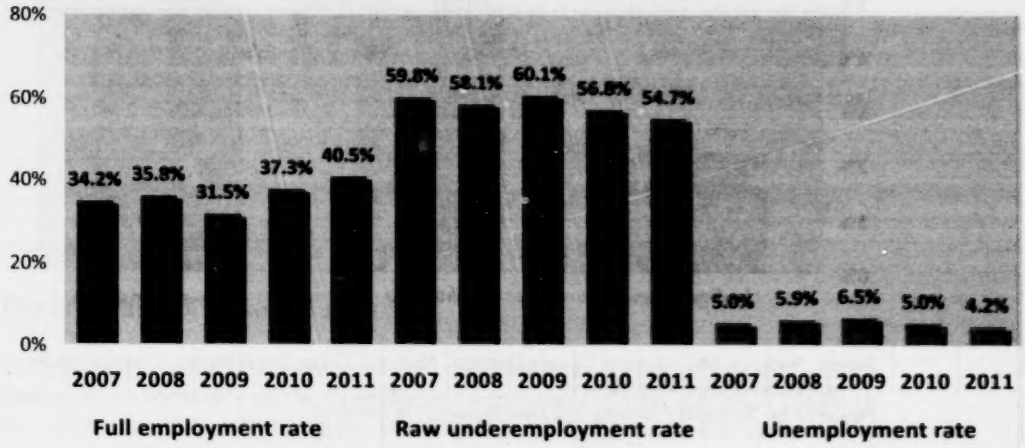
[1] For example, the Labour Code, the Children's Code, the Act on the Organization of the Civil Service (in effect since 6 October 2010); Constituent Mandate No. 8, which prohibits outsourcing, labour brokerage and hourly job contracting (in effect since May 2008); the Production, Trade and Investment Code, among others.

Progress in the citizen revolution in decent work and valuing work in all its many forms

Labour market

18. Major progress has been made over the past five years in access to employment. Full employment increased between 2007 and 2011 from 34.2 per cent to 40.5 per cent, while underemployment dropped from 59.8 per cent in 2007 to 54.7 per cent in 2011. Unemployment managed to remain at 5 per cent among the economically active population between 2007 and 2010. In 2011 it fell to 4.2 per cent, with a notable recovery beginning in 2009, when in the context of the international crisis, the unemployment rate had reached 6.5 per cent.

Figure I
Full employment, underemployment and unemployment 2007-2011



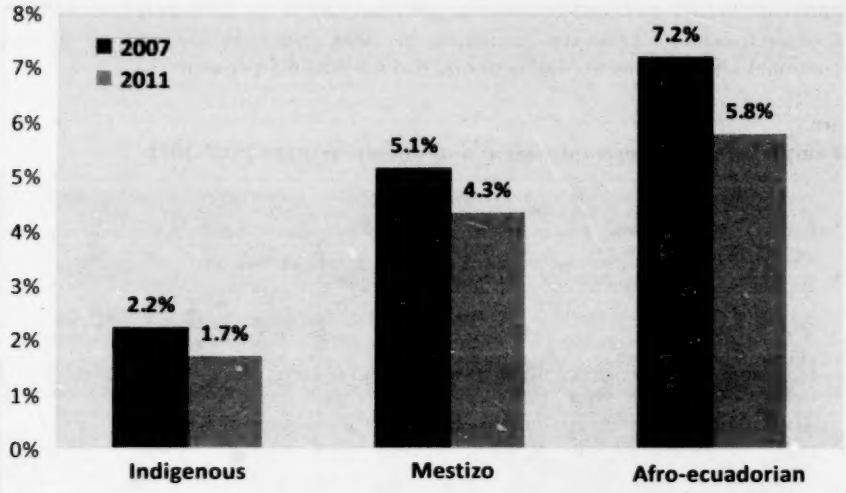
Source: National Statistics and Census Institute, National Urban Employment, Unemployment and Underemployment Survey.
Prepared by: National Planning and Development Department.

19. The rate of underemployment among the youth population (16 to 29 years of age) has declined by 6 per cent.

20. One of the programmes that has contributed to the entry of youth into the workforce is the "My First Job" programme, which includes internships to allow university graduates to enter public and private companies, where they acquire experience while they improve their employment prospects for the future, in accordance with the constitutional principle that youth are strategic agents in the country's development and the mandate to foster their entry into the workforce under fair and decent conditions emphasizing training, guaranteed access to the first job and promotion of their entrepreneurial skills.

21. With respect to employment indicators according to ethnic self-identification among the population, progress can also be seen. For the indigenous population, unemployment has been reduced from 2.2 per cent to 1.7 per cent between 2007 and 2011; among the Afro-Ecuadorian population, unemployment fell from 7.2 per cent to 5.8 per cent; among the mestizo population it fell from 5.1 per cent to 4.3 per cent.

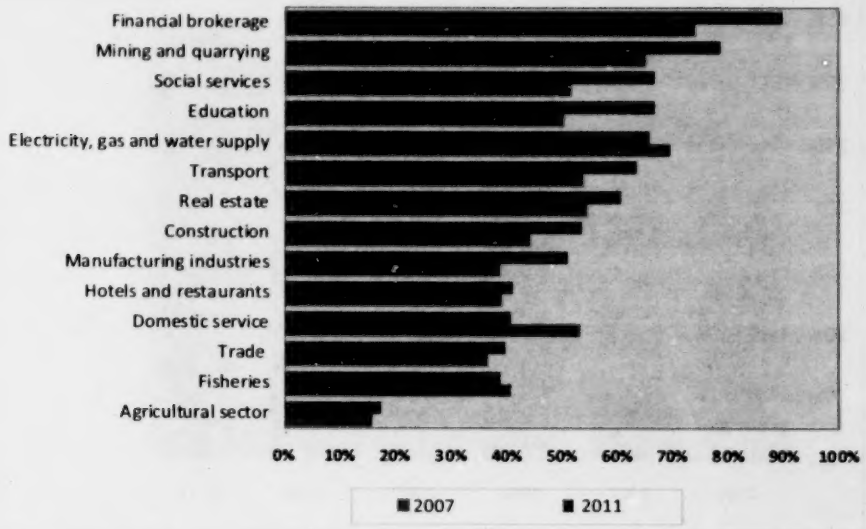
Figure II
Unemployment by ethnic self-identification



Source: National Statistics and Census Institute, National Urban Employment, Unemployment and Underemployment Survey.
Prepared by: National Planning and Development Department.

22. It is important to note that there have also been positive results in employment per economic sector. The rate of full employment rose in all sectors between 2007 and 2011 with the exception of the fisheries sector (which fell by 2 points), electricity and water supply (a 3.7 point drop) and domestic service (a 12.6 point drop). Such sectors as education, financial brokerage and manufacturing industries increased their rates of full employment by over 10 points.

Figure III
Unemployment between 2007 and 2011



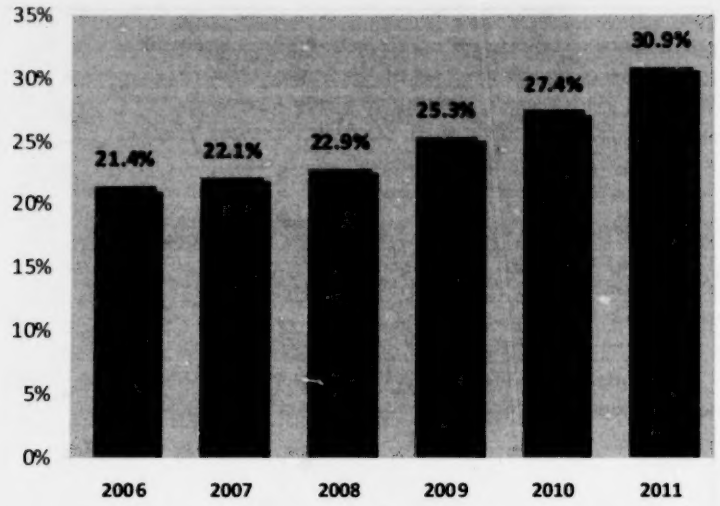
Source: National Statistics and Census Institute, National Urban Employment, Unemployment and Underemployment Survey.
Prepared by: National Planning and Development Department.

Decent wages and social security

23. Working conditions have improved significantly, with concrete and visible results. In accordance with the Constitution, outsourcing of jobs was made illegal (it led to the creation of jobs under precarious conditions); and monitoring of the observance of labour rights was strengthened, especially among the economically active population sectors that had historically been disadvantaged, such as household employees. Opportunities for advice and assistance in getting a job have also been established through the Jobs Partnership Network, which also aids in access to training for groups of job-seekers that have traditionally been marginalized. These organizations offer services to facilitate finding a job with decent working conditions, as well as assistance through programmes of economic and social inclusion, legal assistance, training, professional certification and medical guidance. As the private market does not make adequate provision for these services, they are covered by the State, which also takes advantage of lowered costs owing to economies of scale, with the ultimate goal of reducing the imbalances that cause inefficiencies in the labour market.

24. The results of these efforts can be seen in improvements in job quality. The real income of workers has increased to the point where the gap between the basket of basic products and the unified base salary has been substantially reduced. In December 2006, the cost of the basket of basic products represented 34.1 per cent of monthly family income, while in December 2011 it was 14.8 per cent. Social security coverage has increased significantly; the percentage of recipients of public social security benefits rose from 21.4 per cent in 2006 to 31 per cent in 2011.

Figure IV
Percentage of recipients of public social security benefits



Source: National Statistics and Census Institute, National Urban Employment, Unemployment and Underemployment Survey.
Prepared by: National Planning and Development Department.

25. Actions have been taken regarding wage policy which go beyond the legal minimum. In 2010, the national legal system adopted a standard decent minimum wage, which, under the law, is the amount that covers at least the basic necessities of a worker and his family.[2] The legal framework as implemented takes the application of the constitutional norm further and creates structural policies to guarantee labour rights. This statement may appear to be contradictory from the point of view of prevailing economic theory; it is, however, coherent if we accept that we are facing a market that has not managed to produce efficient results and which demands structural reforms. Systems like outsourcing of jobs, rather than streamlining the labour market and facilitating integration of workers, sever the link between wages and the productivity of a company as an organizational unit.

[2] Basic Law on Production, Trade and Investment, articles 8 to 10.

Child labour, transboundary labour rights and the acknowledgement of personal care work

Reproductive, domestic and personal care work

26. The acknowledgement that unremunerated care-giving and self-care work constitutes productive labour was a break with the past, marked in Ecuador's new 2008 Constitution. The constitutional mandate also stipulates that the State shall encourage shared responsibility and reciprocity among men and women in domestic work and family obligations. One achievement in this regard is the protection of women's labour rights, maternity leave, breastfeeding permission and paternity leave, which is now granted.

27. In 2010, the Dignity for Domestic Work Campaign was launched, disseminating information on the labour rights and obligations of employers and male and female domestic workers, in order to guarantee such fundamental labour rights as decent wages and social security. Monitoring campaigns were carried out to verify compliance with the rules and, when they were being broken, fines were imposed. As a result, the 2011 social security inscription rate for male and female domestic workers, 38.6 per cent, was above the national average, with a significant increase in coverage which had been below 15 per cent for the sector in 2006.

Manuela Espejo Solidarity Mission and Joaquín Gallegos Lara Assistance Coupons

28. An important milestone in public labour policy is the recognition by the State of personal care work, especially in the most demanding cases, for instance, care for persons with disabilities. In that regard, the Manuela Espejo Solidarity Mission, led by the Office of the Vice-President of Ecuador, is an initiative that has had a regional impact. It is one of the Government's most important programmes: an innovative process, it acknowledges the rights of persons with disabilities, their heightened profile and the role of the State, in addition to the provision of care for persons with disabilities. Once cases of disability had been identified across the country and georeferenced through a clinical and genetic bio-psychosocial study, more than 12,000 non-reimbursable monetary assistance coupons, known as Joaquín Gallegos Lara Assistance Coupons, were distributed under a system of shared responsibility to caregivers for persons with disabilities, prioritizing those with severe and profound disabilities, paying special attention to marginalized rural and urban areas.

Child labour

29. With regard to child labour, progress has been made towards the national goal of cutting the number of boys and girls between 8 and 15 years of age who work and do not attend school to 0.7 per cent. In 2008, that figure stood at 2.9 per cent. By 2011, it had fallen to 1.5 per cent.

30. The Government is implementing the Child Labour Eradication Project. To ensure its coordination and organization, an inter-agency political and technical committee on the eradication of child labour has been established, with the collaboration of several public, private, national and local institutions.

31. One of its first targets was child labour at waste dumps. By 2011, 2,160 girls, boys and adolescents had been taken out of this hazardous situation, with guarantees of access to, inter alia, education, health care and safe recreation programmes. None of them have returned to child labour and they have all had access to new opportunities to improve their quality of life.

32. A protocol has been established for future efforts to combat child labour in similar situations.[3]

Transboundary labour rights

33. Another historic and innovative achievement in the field of labour is the recognition of the transboundary labour rights of Ecuadorians. In 2011, the Republic of Ecuador and the Kingdom of Spain entered into an agreement concerning labour security, under which Ecuadorians enjoy social security benefits in Spain, and vice versa, with equal treatment.

Affirmative policies to eliminate workplace discrimination against persons with disabilities

34. By means of affirmative action in national legislation, the Government of Ecuador has encouraged workplace inclusion and compliance with the rights of disabled workers. Measures have also been taken in the public sector, where the principle of non-discrimination must be applied, by guaranteeing equal opportunities in the workplace through providing the necessary tools and other means to carry out the assigned tasks while recognizing workers' potential.

Structural enhancement of human talent

35. The State is ensuring the structural enhancement of human talent, as the basic raw material for knowledge management to maximize labour competitiveness, through national scholarship programmes that provide full financing for university and postgraduate level studies in the world's best universities.

Popular economy and solidarity in job creation

36. One facet of national public policy is recognition of the importance of the popular economy and solidarity in creating jobs.[4] The economic system has been viewed as apart from the social sphere and public policies have been bound by that philosophy. As a result, the inequities arising from the structure of the economic system have been dealt with through welfare-oriented measures, with no holistic vision of the structural characteristics of the economic system that is inexorably intertwined with the social dynamic, and vice versa.

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[3] *Source*: Ministry of Labour Relations.

[4] The social economic system of solidarity means the "set of social institutions that embody predominantly supportive values, norms and practices in forms of economic organization: public-State, entrepreneurial-private, popular and supportive, and their mixed forms; to ensure with equity, social efficiency, equality in diversity and justice, the production and broadening of the material foundations needed for the expanded reproduction of the life of all, with freedom of choice and including future generations and nature, within and from national territory" (Ministry of Economic and Social Inclusion, 2010).

37. The new Constitution breaks with the paradigm of the economic and social system, its composition and the role the State plays in it. Its public actions supported both consumption and redistribution and the means of production and distribution (Ministry of Coordination and Social Development, 2010). The Ecuadorian State, in an historic milestone that sets a precedent for the region, is acknowledging the different forms of economic organization as part of the economic system and makes people the subject and purpose of that system.

38. In that regard, recognizing the agents of the popular economy and the social economy and solidarity, who have historically been ignored by public policy (even marginalized and restricted), as a hidden part of the economic system, has highlighted their potential to become generators of wealth and equity. Beyond meeting the need for historic justice, the popular economy and solidarity constitute a strategic system to mitigate certain negative effects that industrialization can entail, including replacing manpower by machinery given the increase in the composition of capital, a concentration of production owing to high entry costs, and environmental impact. The very nature of the popular economy and solidarity produces a form of industrial development that can overcome such obstacles. Furthermore, solidarity does not attempt to profit from employment: market relationships are not based on the competitive conditions of the capitalist system but on the inclusion of people as an end in themselves, acknowledging the rights of nature.

39. Giving the economic system industrial characteristics and turning it into a service provider involves high demand for capital and specific capacities. Moving a traditionally primary economy towards an industrial and tertiary economy implies a trade-off in the allocation of resources within the production function, whose potential adjustment variable is employment. Against this background, the social economy and solidarity must be made a part of the strategy in this transition. Within solidarity systems the agents of production may become part of industrial and service processes; the impact of adjustment through employment is less that in market-centred systems, however, as a result of the system's own solidarity.

40. Such public policy mechanisms as the Agenda for the Revolution based on the Popular Economy and Solidarity establish specific policy guidelines and action strategies related to decent employment for the agents of the popular economy and solidarity. Where labour is concerned, the project included in the Agenda seeks to "generate conditions of labour stability for the agents of the popular economy and the popular economy and solidarity; dignify their work by eliminating job vulnerability; promote their access to social security benefits; and strengthen the abilities, skills, knowledge and capacities of workers in general through training and professionalization that will encourage the reversal of structural unemployment and lead to social cohesion in the form of supportive, cooperative, associative or community organization" (Ministry of Economic and Social Inclusion, 2010). Capacity-building programmes and projects have been established for the agents of the popular economy and solidarity, opportunities for exchanges, for example, inclusive fairs have been created; and access to the means of production, including, inter alia, access to financial resources, has been provided.

41. The recognition in public policy of the popular economy and solidarity as a job creator was a breakthrough both in terms of steps taken, with corresponding achievements in reducing unemployment, and in greater visibility for other agents of

society (including, inter alia, dignifying domestic work, recognition of unremunerated reproductive work and various forms of community work).

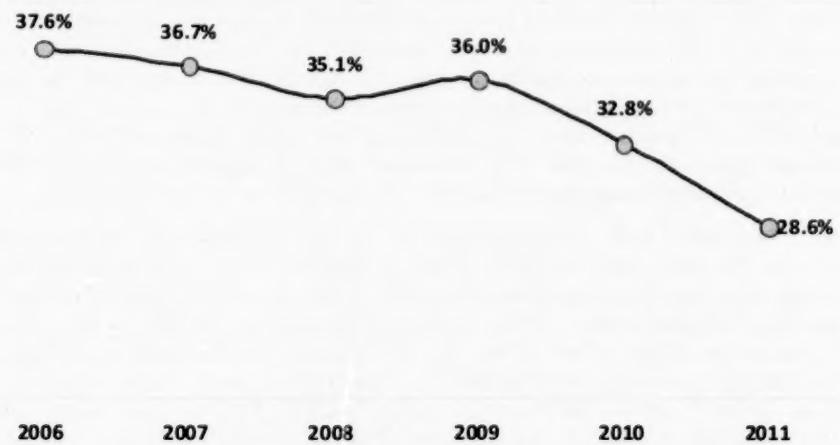
42. Training and preparation programmes in line with the productive priorities defined in sectoral agendas have been established within the framework of capacity- and opportunity-building for the agents of the popular economy and solidarity. Measures are also being taken to democratize the means of production, such as access to credit through the public banking sector.

The guarantee of labour rights as a poverty-reduction mechanism in Ecuador

43. The respect for such labour rights as access to a decent job and fair pay has brought about an improvement in opportunities for the people, and the results in terms of real income and poverty are positive. There have been significant reductions in poverty and inequality.

44. Between December 2006 and December 2011, there was a 9-point drop in national income poverty.[5] The drop was 8.6 points in urban areas and 9.7 points in rural areas.

Figure V
National income poverty rate



Source: National Statistics and Census Institute, National Employment, Unemployment and Underemployment Survey.
Prepared by: National Planning and Development Department.

45. All this progress has been achieved against the backdrop of strong economic growth in the region. According to the Economic Commission for Latin America and the Caribbean report entitled "Preliminary Overview of the Economies of Latin America and the Caribbean 2011", at 8 per cent, Ecuador had one of the highest real

[5] Income poverty includes those whose total per capita income is below the poverty line (for December 2011, the poverty line was $73).

GDP growth rates in Latin America in 2011. Moreover, the GDP growth rate in Ecuador was twice the average for the region, a better performance than the other Latin American and Caribbean economies after the 2009 international crisis.

46. One thing worth noting is the fact that this growth has been accompanied by a major reduction in inequality in the last five years. The Gini coefficient in December 2006 was 0.54, whereas by December 2011 it had fallen to 0.472.

47. The reduction in the concentration of income was backed by the redistribution of total per capita income by quintile between 2006 and 2011. The share of income in the richest quintile fell by 5.4 percentage points, whereas the change in share in the other quintiles grew.

48. Shrinking the gaps between urban and rural areas remains a challenge, especially where rural poverty is concerned. In December 2011, the urban poverty rate stood at 17.4 per cent, while it was 50.9 per cent in rural areas. The difference is obvious when comparing income. Average total per capita income in urban areas was twice that in rural areas.

Progress made in employment in the framework of the Millennium Development Goals and their relationship with the National Plan for Living Well

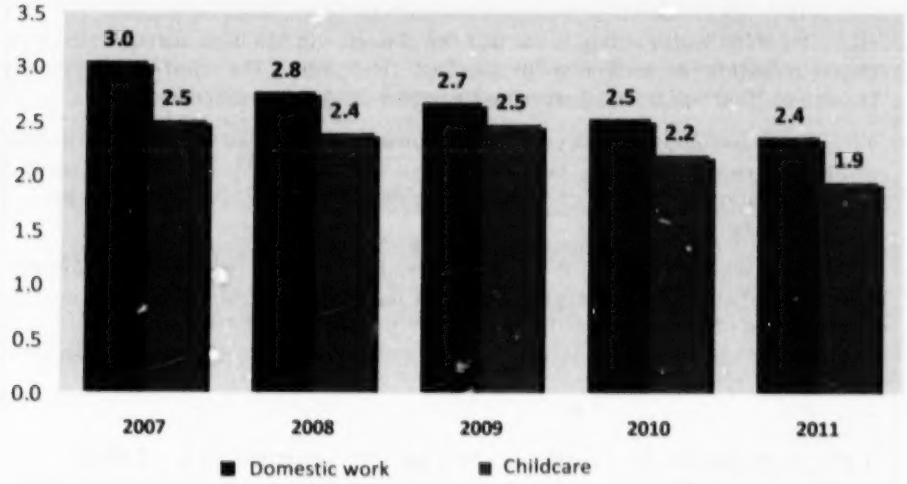
49. The national goals established in the National Plan for Living Well include aspects covered in the Millennium Development Goals and other development approaches, in order to respond to national specificities and needs. As a result, worldwide and regional efforts are in tune with national public policy efforts in various areas, including employment.

Decent employment and recognition of work for living well: challenges

50. The elimination of job insecurity is a constitutional mandate. Underemployment levels must be cut because it makes society vulnerable and undermines social cohesion. Although regulatory measures and positive action taken in recent years to guarantee labour rights have had positive results, the underemployment rate remains constant in some areas.

51. Challenges remain in reducing the income gap between men and women and in the division of the overall workload by gender.

Figure VI
Division of the overall workload by gender (average hours per week)



Source: National Statistics and Census Institute, National Employment, Unemployment and Underemployment Survey.
Prepared by: National Planning and Development Department.

52. Here it is worth pointing out that Ecuador has made efforts periodically to monitor the use of time and the statistics produced in order to follow up on the distribution of overall workload by gender.

53. The Constitution guarantees equal access to employment and equal pay and prohibits any discrimination against women in the workplace. An important challenge lies in consolidating progress in this regard and reducing the gap between the de jure and de facto situations. As regards income gaps by sex, progress has been made, but greater efforts are required. In 2007, the average income from employment received by women was 71 per cent of the average for men. In 2011, the average income from employment for women amounted to 78 per cent of the average received by men.

54. An important step taken related to the overall workload, especially where reproductive work is concerned, is the establishment of paternity leave in the Act on the Organization of the Civil Service.

55. Reducing job insecurity among the poorest population, both in terms of unemployment and underemployment, is a major challenge. Another lies in improving working conditions in the informal sector, through guaranteed social security, wages and salaries, safe working environments and other conditions that ensure decent employment in the informal sector.

56. Capacity-building for full social inclusion is not enough. A productive system is needed that creates good jobs. A major challenge for Ecuador involves the creation of a high-value-added production matrix that is not vulnerable to external shocks, and capable of reducing job insecurity. Programmes have been set up that support entrepreneurial innovation for job creation, including the following:

EmprendEcuador: Supports all dynamic entrepreneurial initiatives whose goal is to establish productive enterprises with a high potential for growth through innovation in products or services or technological advantage.

InnovaEcuador: Supports comprehensive projects that have an impact on enterprise or at the sectoral level, with the goal of promoting innovation to generate change that increases productivity and improves the national fabric for production by promoting enterprises and products that can compete on a global level and by supporting the transition from a primary national production pattern to a secondary one.

InvestEcuador: A system that promotes, attracts and supports private investment (local and foreign) that identifies, promotes, attracts, fosters and expands investment in Ecuador to transform and diversify its productive matrix.

Conclusions: achievements and challenges for decent work towards living well

57. The process begun five years ago by the Government has brought about major achievements, unquestionably reflected in the well-being of most Ecuadorians, as described below:

- Unemployment was kept at 5 per cent of the economically active population from 2007 to 2010. In 2011, it fell to 4.2 per cent, with an important recovery beginning in 2009, when against the backdrop of an international crisis, the unemployment rate reached levels of 6.5 per cent. December 2009 saw the highest national unemployment rate in the period under analysis (6.5 per cent) as a result of the international crisis. The cities of Guayaquil and Machala accounted for most of that peak, owing to their economies' relationship with the external sector, whereas cities with the greatest endogenous growth (Quito, Cuenca and Ambato) were able to mitigate the national unemployment rate.
- Underemployment fell from 59.8 per cent in 2007 to 54.7 per cent in 2011. The richest quintile of the population is benefiting from a significant drop in underemployment.
- Constitutional Mandate No. 8, which came into force in May 2008, prohibits outsourcing, hiring on an hourly basis, labour brokering and anything that makes employment more vulnerable. This has had a positive effect on the full employment rate, which rose from 34.9 per cent in June 2008 to 36.8 per cent in June 2011.
- Institutional reforms have helped to improve the quality of jobs, reflected in the increase in the number of workers affiliated with the social security system. Of all job categories, domestic work has seen major improvements in the quality of employment both because wages have been brought up to the level of the living wage and membership in the social security system has been made mandatory.

58. Nevertheless, there are some outstanding matters connected to the process which of course represent challenges to be met by the Government of Ecuador:

- The job insecurity of the poorest population must be reduced.

- Social security coverage must be extended to the underemployed and unemployed population.
- Differentiated policies must be applied to improve the employment levels and conditions in different categories of occupation and geographic areas, taking their individual characteristics and territorial particularities into account.

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- Constituent Assembly (2008), *Constitution of the Republic of Ecuador*, Ciudad Alfaro, Ecuador.
- Ministry for the Coordination of Social Development (2010), *Social Agenda 2009-2011*, Ecuador.
- Ministry for the Coordination of Production, Employment and Competitiveness (2010), *Agenda for Productive Transformation*, Ecuador.
- Ministry of Economic and Social Inclusion (2010), "Agenda for the Revolution based on the Popular Economy and Solidarity", Ecuador.
- Ministry of Justice, Human Rights and Worship, "SIDERECHOS, system of information on the protection of human rights", Ecuador.
- National Planning and Development Department (2009), *National Plan for Living Well 2009-2013*, Ecuador.

Annex

Labour conventions ratified by Ecuador[a]

- Unemployment Convention, 1919: in force since 14 July 1921; ratified: 5 February 1962
- Right of Association (Agriculture) Convention, 1921: in force since 11 May 1923; ratified: 10 March 1969
- Sickness Insurance (Industry) Convention, 1927: in force since 15 July 1928; ratified: 5 February 1962; (Agriculture), 1927: in force since 15 July 1928; not ratified
- Minimum Wage-Fixing Machinery Convention, 1928: in force since 14 June 1930; ratified: 6 July 1954
- Forced Labour Convention, 1930: in force since 1 May 1932; ratified 6 July 1954
- Underground Work (Women) Convention, 1935: in force since 30 May 1937; ratified: 6 July 1954
- Medical Examination of Young Persons (Industry) Convention, 1946: in force since 29 December 1950; ratified: 18 July 1975
- Medical Examination of Young Persons (Non-Industrial Occupations) Convention, 1946: in force since 29 December 1950; ratified: 26 August 1975
- Labour Inspection Convention, 1947: in force since 7 April 1950; ratified 26 August 1975
- Contracts of Employment (Indigenous Workers) Convention, 1947: in force since 13 February 1953; ratified 3 October 1969
- Freedom of Association and Protection of the Right to Organize Convention, 1948: in force since 4 July 1950; ratified 29 May 1967
- Employment Service Convention, 1948: in force since 10 August 1950; ratified 26 August 1975
- Protection of Wages Convention, 1949: in force since 24 September 1952; ratified 6 July 1954
- Migration for Employment Convention, 1949: in force since 22 January 1952; ratified 5 April 1978
- Right to Organize and Collective Bargaining Convention, 1949: in force since 18 July 1951; ratified 28 May 1959
- Equal Remuneration Convention, 1951: in force since 23 May 1953; ratified 11 March 1957

[a] *Source*: International Labour Organization. Adapted from http://webfusion.ilo.org/public/db/standards/normes/appl/appl-byCtry.cfm?lang=en&CTYCHOICE=0190.

- Holidays with Pay Convention, 1936: in force since 20 September 1939; not ratified; Convention revised 1970: in force since 30 June 1973; not ratified; (Agriculture) 1952: in force since 24 July 1954; ratified 3 October 1969; revised by Convention No. 132 but not ratified
- Maternity Protection Convention (Revised), 1952: in force since 7 September 1955; ratified: 5 February 1962; revised 2000 by Convention No. 183 but not ratified
- Abolition of Penal Sanctions (Indigenous Workers) Convention, 1955: in force since 7 June 1958; ratified 3 October 1969
- Abolition of Forced Labour Convention, 1957: in force since 17 January 1959; ratified 5 February 1962
- Weekly Rest (Industry) 1921: in force since 19 June 1923; not ratified; (Commerce and Offices) Convention, 1957: in force since 4 March 1959; ratified 3 October 1969
- Plantations Convention, 1958: in force since 22 January 1960; ratified 3 October 1969
- Discrimination Convention, 1958: in force since 15 June 1960; ratified 10 July 1962
- Radiation Protection Convention, 1960: in force since 17 June 1962; ratified 9 March 1970
- Social Policy (Basic Aims and Standards) Convention, 1962: in force since 23 April 1964; ratified 3 October 1969
- Equality of Treatment (Social Security) Convention, 1962: in force since 25 April 1964; ratified: 9 March 1970
- Employment Injury Benefits Convention, 1964: in force since 28 July 1967; ratified: 5 April 1978
- Employment Policy Convention, 1964: in force since 15 July 1966; ratified 13 November 1972
- Minimum Age (Underground Work) Convention, 1965: in force since 10 November 1967; ratified 10 March 1969
- Medical Examination of Young Persons (Underground Work) Convention, 1965: in force since 13 December 1967; ratified 10 March 1969
- Minimum Wage Fixing Convention, 1970: in force since 29 April 1972; ratified 2 December 1970
- Minimum Age Convention, 1973: in force since 19 June 1976; ratified 19 September 2000
- Occupational Cancer Convention, 1974: in force since 10 June 1976; ratified 27 March 1975
- Rural Workers' Organizations Convention, 1975: in force since 24 November 1977; ratified 26 October 1977

- Human Resources Development Convention, 1975: in force since 19 July 1977; ratified 26 October 1977
- Tripartite Consultation (International Labour Standards) Convention, 1976: in force since 16 May 1978; ratified 23 November 1979
- Working Environment Convention, 1977: in force since 11 July 1979; ratified 11 July 1978
- Nursing Personnel Convention, 1977: in force since 11 July 1979; ratified 11 July 1978
- Occupational Safety and Health (Dock Work) Convention, 1979: in force since 5 December 1981; ratified 20 May 1988
- Hours of Work and Rest Periods (Road Transport) Convention, 1979: in force since 10 February 1983; ratified 20 May 1988
- Vocational Rehabilitation and Employment Convention, 1983: in force since 20 June 1985; ratified 20 May 1988
- Asbestos Convention, 1986: in force since 16 June 1989; ratified 11 April 1990
- Indigenous and Tribal Peoples Convention, 1989: in force since 5 September 1991; ratified 15 May 1998
- Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, 1999: in force since 19 November 2000; ratified 19 September 2000